

BY MR. GRAHAM:

Q. There were letters written to Ms. Willey to the President that were released to the media. Is that correct?

A. Yes.

Q. Do you know who gathered those letters up and how they were gathered up?

MR. BREUER: Objection.

SENATOR SPECTER: Senator Edwards and I agree that the Congressman may ask the question. Overruled.

THE WITNESS: No.

BY MR. GRAHAM:

Q. Would it be fair to say, using common sense, that somebody was planning to answer Ms. Willey by having those letters to offer to the press?

MR. BREUER: Objection.

MR. McDANIEL: It's argumentative.

MR. BREUER: It certainly is.

SENATOR SPECTER: Would you repeat that question?

BY MR. GRAHAM:

Q. The question is: Mr. Blumenthal, do you believe it's a fair assumption to make that somebody in the White House made a conscious effort to go seek out the letters between the President and Ms. Willey and use in response to her allegations?

[Senators Specter and Edwards conferring.]

THE WITNESS: Well, that's an opin—

MS. MARSH: Wait, wait, wait.

MR. McDANIEL: Please, Mr. Blumenthal.

THE WITNESS: Yes.

SENATOR SPECTER: Senator Edwards says, and I agree with him, that you ought to direct it to somebody with specific knowledge so you don't—

BY MR. GRAHAM:

Q. Do you have any knowledge—

SENATOR SPECTER:—deal totally with speculation.

BY MR. GRAHAM:

Q. Do you have any specific knowledge of that event occurring, somebody gathering the letters up, having them ready to be able to respond to Ms. Willey if she ever said anything?

A. No.

Q. You have no knowledge whatsoever of how those letters came into the possession of the White House to be released to the press?

A. No, I don't. I don't know—

MR. GRAHAM: Thank you. I—

THE WITNESS:—who had them—

MR. GRAHAM:—don't have any—

THE WITNESS:—in the White House.

MR. GRAHAM:—further questions.

PROGRAM

Mr. LOTT. Under the order just granted, the Senate will meet again as the Court of Impeachment on Saturday. On Saturday, the Senate will hear presentations from the House managers and the White House counsel for not to exceed 6 hours. After those presentations, the Senate will resume its business on Monday for 6 hours, beginning at 1 p.m.

ADJOURNMENT UNTIL 10 A.M.,
SATURDAY, FEBRUARY 6, 1999

Mr. LOTT. Mr. Chief Justice, I now ask the Senate stand in adjournment under the previous order, and ask that all Senators remain at their desks until the Chief Justice departs the Chamber.

There being no objection, at 4:31 p.m., the Senate, sitting as a Court of Impeachment, adjourned until Saturday, February 6, 1999, at 10 a.m.

(Pursuant to an order of January 26, 1999, the following material was submitted at the desk during today's session:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one nomination which was referred to the Committee on Agriculture, Nutrition, and Forestry.

(The nomination received today is printed at the end of the Senate proceedings.)

1998 ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS—MESSAGE FROM THE PRESIDENT—PM 3

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Joint Economic Committee.

ECONOMIC REPORT OF THE PRESIDENT *To the Congress of the United States:*

I am pleased to report that the American economy today is healthy and strong. Our Nation is enjoying the longest peacetime economic expansion in its history, with almost 18 million new jobs since 1993, wages rising at twice the rate of inflation, the highest home ownership ever, the smallest welfare rolls in 30 years, and unemployment and inflation at their lowest levels in three decades.

This expansion, unlike recent previous ones, is both wide and deep. All income groups, from the richest to the poorest, have seen their incomes rise since 1993. The typical family income is up more than \$3,500, adjusted for inflation. African-American and Hispanic households, who were left behind during the last expansion, have also seen substantial increases in income.

Our Nation's budget is balanced, for the first time in a generation, and we are entering the second year of an era of surpluses: our projections show that we will close out the 1999 fiscal year with a surplus of \$79 billion, the largest in the history of the United States. We are on course for budget surpluses for many years to come.

These economic successes are not accidental. They are the result of an economic strategy that we have pursued since 1993. It is a strategy that rests on three pillars: fiscal discipline, investments in education and technology, and expanding exports to the growing world market. Continuing with this proven strategy is the best way to maintain our prosperity and meet the challenges of the 21st century.

THE ADMINISTRATION'S ECONOMIC AGENDA

Our new economic strategy was rooted first and foremost in fiscal discipline. We made hard fiscal choices in 1993, sending signals to the market that we were serious about dealing with the budget deficits we had inherited. The market responded by lowering long-term interest rates. Lower interest rates in turn helped more people buy homes and borrow for college, helped more entrepreneurs to start businesses, and helped more existing businesses to invest in new technology and equipment. America's economic success has been fueled by the biggest boom in private sector investment in decades—more than \$1 trillion in capital was freed for private sector investment. In past expansions, government bought more and spent more to drive the economy. During this expansion, government spending as a share of the economy has fallen.

The second part of our strategy has been to invest in our people. A global economy driven by information and fast-paced technological change creates ever greater demand for skilled workers. That is why, even as we balanced the budget, we substantially increased our annual investment in education and training. We have opened the doors of college to all Americans, with tax credits and more affordable student loans, with more work-study grants and more Pell grants, with education IRAs and the new HOPE Scholarship tax credit that more than 5 million Americans will receive this year. Even as we closed the budget gap, we have expanded the earned income tax credit for almost 20 million low-income working families, giving them hope and helping lift them out of poverty. Even as we cut government spending, we have raised investments in a welfare-to-work jobs initiative and invested \$24 billion in our children's health initiative.

Third, to build the American economy, we have focused on opening foreign markets and expanding exports to our trading partners around the world. Until recently, fully one-third of the strong economic growth America has enjoyed in the 1990s has come from exports. That trade has been aided by 270 trade agreements we have signed in the past 6 years.

ADDRESSING OUR NATION'S ECONOMIC CHALLENGES

We have created a strong, healthy, and truly global economy—an economy that is a leader for growth in the world. But common sense, experience, and the example of our competitors abroad show us that we cannot afford to be complacent. Now, at this moment of great plenty, is precisely the time to face the challenges of the next century.

We must maintain our fiscal discipline by saving Social Security for the 21st century—thereby laying the foundations for future economic growth.